Canadian Agriculture and Agri-Food

Exporter's Guide to Opportunities in the Middle East: QATAR

AGRI·FOOD TRADE SERVICE

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Canadian Business Develoment International
Presents:

Canadian Agriculture and Agri-Food
Exporter's Guide to Opportunities
in the Middle East:
QATAR

OTHER AVAILABLE COUNTRIES IN THE STUDY

- Saudi Arabia
- Bahrain
- Kuwait
- Oman
- United Arab Emirates
- Jordan
- Lebanon
- Syria
- Yemen

Canadian Business Development International (CBDI) has been contracted by the Market Industry Services Branch of Agriculture and Agri-Food Canada to provide an overview of the export opportunities and general guidelines for Canadian exporters of agriculture and agri-food products in the following 10 countries in the Middle East:

1) Saudi Arabia	2) United Arab Emirates
3) Bahrain	4) Kuwait
5) Oman	6) Qatar
7) Jordan	8) Lebanon
9) Syria	10)Yemen

The studies of the other nine countries are available from Agriculture and Agri-Food Canada. All reports are available in English and French.

The study is a collection of the best available government and private sector information from Canada and abroad. It is designed to provide the reader with a fully compiled and referenced single source for all of this material as well as a detailed analysis of secondary import and export statistics provided by Statistics Canada and the World Trade Database.

The information contained in this document has been reviewed by trade and commodity experts at Agriculture and Agri-Food Canada, Department of Foreign Affairs and International Trade, and Canada's posts in the countries, and has met with their approval.

For a comprehensive list of the sources used by CBDI and a directory of contacts for further information please see the Bibliographical Index and Contact Information sections at the end of the report.

EXECUTIVE SUMMARY

INTRODUCTION:

The Agriculture and Agri-Food Exporter's Guide to Opportunities in the Middle East is designed to provide the reader with a single source reference manual on the key elements and opportunities for exporting to ten countries in the Middle East. It is intended for use by Canadian agri-food exporters. Trade Commissioners and other government officials will also find it a useful source document for information requests.

This study is in a modular format, such that each country profile can act as stand-alone documents, detailing the relevant information for potential Canadian exporters.

The statistical data included in this document has been provided by Statistics Canada (for Canadian exports) and the World Trade Database (for country imports). Due to the time and recording differentials inherent in the two databases, Canadian export statistics are provided in Canadian dollars, up to 1995; whereas country import statistics are only available in US dollars up to 1994. This standard is consistent throughout the document.

POTENTIAL OPPORTUNITIES:

The Middle East is generally an arid region with limited land available for agricultural production. Irrigation methods are used, however, countries (specifically Saudi Arabia) are finding it more difficult to drill for fresh and usable water, resulting in a further reduction of productive capabilities. As such, the region tends to import a large amount of agriculture and agri-food products to support consumption demands. These imports range from US$140 million (Qatar in 1994) to US$4.1 billion (Saudi Arabia in 1994). Thus it is clear that the Middle East offers immense potential for Canadian agri-food exporters.

Key opportunities include:

- **Processed Food and Products:** ***(HIGH)*** There are extensive opportunities for value-added products in all ten countries covered by this study, however, Saudi Arabia, the UAE and Kuwait offer the best potential for growth.
- **Special Crops:** ***(HIGH)*** Canadian exports of special crops to the region have been increasing steadily over the past several years, with new opportunities emerging in chick peas and other pulses. Key markets are: the UAE, Saudi Arabia, Kuwait, and Syria.
- **Beverages:** ***(HIGH)*** Since most countries in the Middle East are predominantly Muslim, there is a high demand for non-alcoholic beverages. Canadian fruit and vegetable juices, carbonated flavoured water, and mineral water have the potential to do very well in the region. Bahrain, and the UAE in particular, offer a great deal of potential for alcoholic beverages as well.
- **Grains and Oilseeds:** ***(HIGH)*** Although Canadian exports of grains and oilseeds have tended to be either erratic or declining, there are significant opportunities for barley, wheat, canola oil and niche products in many countries, most notably Saudi Arabia and the UAE.
- **Eggs and Poultry:** ***(MEDIUM)*** There are promising opportunities for egg-type and broiler-type breeding chicks in Saudi Arabia, the UAE, Bahrain, and Yemen. As well, since pork is not consumed in most of the countries, poultry meat is generally a staple.
- **Livestock and Other Animal Products:** ***(MEDIUM)*** Despite rigorous import regulations, the Middle East is a large import market for live animals and meat products. Strong potential exists in the UAE, Saudi Arabia, Jordan, and Syria.

GENERAL CONSTRAINTS:

Many North American's perceive the Middle East to be too complicated a market to enter, despite the significant opportunities that await determined exporters. Although there are very real constraints to dealing with the Middle East, they are easily overcome with the right approach. Some of the more notable difficulties include:

- **Transportation Costs:** Due to the long distances, there are considerable costs involved in exporting goods to the Middle East. Furthermore, containerization is often a problem. Since Canada does not import enough products that require refrigerated or ventilated containers, exporters often find it costly to bring these specialized containers up from the US.
  - *Although these are real constraints, Canadian exporters may consider consolidating shipments to the Middle East to reduce costs and avoid partially empty containers from increasing shipping costs.*

- **Language and Cultural Barriers:** Unlike exporting to the US or Europe, the Middle East is a dramatically different environment in which to operate. There are very specific ways to conduct business which may seem foreign to many Canadian exporters.
  - *These barriers are easily overcome with frequent visits to the region. Also important is the selection of a good agent who can bridge the gap in culture and language for the exporter*

- **Strict Regulations:** The Middle East has a number of regulations that make exporting to the region complex and cumbersome. Most notably are the strict halal requirements for animal products and bilingual (and other) labelling requirements and production and expiry dates for all goods.
  - *The Canadian embassies in the region can help exporters understand and comply with these regulations, as well as assist in the selection of a good agent who will also help. This document also explains a number of the requirements for exporting to the region.*

It should also be noted that Canadian producers have an inherent advantage in meeting the labelling demands of the region, since they are already accustomed to printing bilingual labels for domestic use.

MARKETING TIPS:

Below are some suggestions for marketing Canadian products to the Middle East:

- If possible, visit the region. Face-to-face contact can be the difference between marketing success and failure. Bring product samples (where applicable) and be prepared to discuss price.
- Consider participating in major food shows in the area; for example, the Gulf Food Show in Dubai, UAE is an excellent way to meet potential customers from throughout the region and beyond.
- Eye-catching designs, logos, and colours that identify the product as Canadian may boost sales.
- Be ready to assist with shipping. If necessary, be ready to recommend a shipping company or directly arrange shipment and provide shipping costs.
- Be prepared to discuss marketing and advertising strategies. Gulf importers, in particular, are increasingly looking for advertising advice and assistance, especially with new-to-market products.
- Be aware that many importers will request exclusive agency agreements with suppliers. In many cases, local laws make it difficult to terminate an agency agreement, even with due cause. Thus selecting a good agent is particularly important.

REGIONAL INFORMATION

MARKETING:

The Middle East is a dynamic and diverse region with differences in the way business is conducted both within and between the various countries. However, there are some general rules for marketing products in the region.

- Face to face contact can significantly increase the chances of establishing successful business relations.
- Maintaining that relationship through frequent communications is equally important for success.
- The countries in the region are mostly cash markets, with substantial revenues from oil resources.
- Many of the countries have young populations, implying higher disposable income and expected growth in the future.
- The Gulf countries in particular have highly advanced agriculture and agri-food markets that tend to be very price competitive.
- The region has a strong knowledge and growing desire for Western products.

Key points to stress when selling products are:

- competitive price;
- Canadian origin; and
- the high-quality of the products.

Considerable emphasis should be placed on the role of these countries as possible markets for re-export of Canadian products. The port of Dubai in the United Arab Emirates (UAE) in particular, is a major re-export market, serving markets in other Gulf countries, Pakistan, Iran, and countries of the former Soviet Union (FSU). The Dubai World Trade Centre reported that Dubai imports approximately 70% of the UAE's consumable items, worth US$1.9 billion per year. Around 70% of these imports are then re-exported. Approximately 20% of these re-exported goods go to Iran, which is Dubai's largest re-export market. Dubai's re-exports to FSU countries were US$405 million in 1995, 27% of which was comprised of agricultural and agri-food products (not including equipment and chemical fertilizers). Azerbaijan is the leading market in the FSU for these re-exported goods.

Each country has specific, and often complex marketing regulations, such as labelling requirements and best before dates, that potential Canadian exporters should examine carefully before bringing their products to the region. For example, in Bahrain, baby food has an 18 month expiry period compared with a 12 month period in the UAE or Saudi Arabia. This example serves to highlight the importance of verifying each country's regulations before any sales are made. The Trade Annex that accompanies each country profile provides the details of many of these regulations.

It is strongly recommended by Migra's Canadian Exporters Guide (1995) that the term "**Persian Gulf**" should not be used on goods, documents, or letters for some destinations in this region. Anything so marked might be confiscated and destroyed by the Arab authorities. The term "**Arabian Gulf**" should be used.

PRICING:

Generally, it is recognized that shipping adds considerably to the cost of items manufactured in Canada, which can face stiff competition from Far Eastern and European suppliers. Thus pricing of products, particularly processed or semi-processed foods and beverages is particularly important. Many of the countries in the region are very price competitive markets, however, high Canadian quality goes a long way.

Moreover, exporters should consider the option of consolidating shipments of various products in order to reduce the burden of transportation costs, thereby making products more price competitive when they reach the markets.

Some of the countries in the region have strict policies with respect to pricing, while others have general norms that are followed by most exporters. Pricing policies are listed in the Annexes for each country.

RESTRICTED IMPORTS:
All imported beef and poultry products require a health certificate from the country of origin and a halal slaughter certificate issued by an approved Islamic centre in the country of origin ("halal" slaughter refers to animal slaughter performed according to Islamic law).

TRADE ARRANGEMENTS:
Gulf Cooperation Council (GCC):
The Gulf Cooperation Council (GCC) consists of six member countries (Saudi Arabia, the United Arab Emirates, Kuwait, Bahrain, Qatar, and Oman). The GCC controls half of the proven oil reserves outside the former Soviet Union, and accounts for about 40% of all the oil moving in international trade. Created in 1981, the GCC tried to maintain the balance of power in the Gulf by strengthening multilateral cooperation in security and economic matters. The presidency of the GCC rotates yearly among the rulers of the member countries. The GCC is headquartered in Riyadh, Saudi Arabia.

As far as trade is concerned, the GCC is a loose confederation which serves only as a policy-coordinating forum for its members. It cannot impose trade policies upon its member states, thus each is free to pass and enforce its own trade laws.

In recent years there has been growing cooperation among GCC members on certain issues, such as:
- ♦ establishing standards;
- ♦ setting tariff ranges; and
- ♦ intellectual property protection.

There is also consideration being given to forming a customs union. Renewed work on a free trade area between the GCC and the EU is also pushing the six member states to closer coordination.

Arab Cooperation Council (ACC):
Jordan, Yemen, Egypt, and Iraq signed an agreement in February 1989, joining the countries in a new Arab economic bloc called the Arab Cooperation Council (ACC). The new community was designed to create a common market and encourage investment in joint projects. The goals of the association are to achieve economic integration in all production centres and coordinate the many areas including the economy, residence, travel, finance, industry, agriculture, transport, and communications.

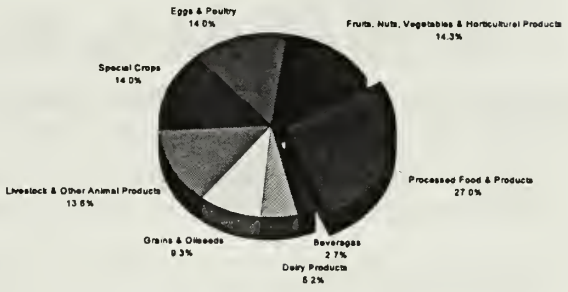
Arab League Boycott of Israel
In 1994, the Arab League boycott of Israel was partially lifted. The original boycott was initiated in 1959 and stated that all products coming directly from Israel, through Israel, or containing inputs from Israel were banned from all Arab League countries. Moreover, trade with countries that also traded with Israel was restricted. The 1994 partial alleviation of the ban left only the primary ban on Israeli products intact.

QATAR

Official Name	State of Qatar
Head of State	Shaikh Khalifa Bin Hamad Al-Thani
Minister of Agriculture	n/a
Language	Arabic (Official), English
Population (1995)	533,916
Currency	Qatar Riyal (QR)
Real GDP Growth (1995)	n/a
Gross Domestic Product (1995 Per Capita)	$20,820
Consumer Price Inflation (1995)	3.7%
External Debt (1995)	$3.9 billion
Principle Growth Sectors	Manufacturing and Gas
Total Country Exports (1995)	$3.5
Total Country Imports (1995)	$2.14 billion
Agri-Food Imports from the World (1994)	US$139.7
Agri-Food Imports from Canada (1995)	CDN$660,000

Canada's Agricultural Exports to Qatar 1995

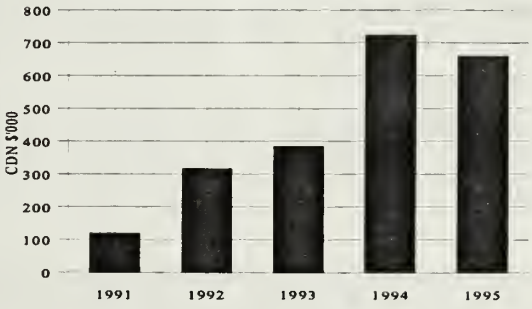
Qatar's Agricultural Imports 1994



CANADA'S AGRICULTURAL EXPORTS TO QATAR

StatsCan : IN CDN $'000	1991	1992	1993	1994	1995
Grains & Oilseeds	0	0	0	0	28
Livestock & Animal Products	0	6	0	0	0
Special Crops	0	71	108	108	112
Fruits, Nuts, & Vegetables	19	77	59	39	10
Dairy Products	0	0	0	0	49
Eggs & Poultry	0	0	0	0	0
Processed Food and Products	89	164	218	541	468
Beverages	13	0	0	36	21
TOTAL EXPORTS	121	317	385	724	660

Canada's Agricultural Exports to Qatar 1991 - 1995

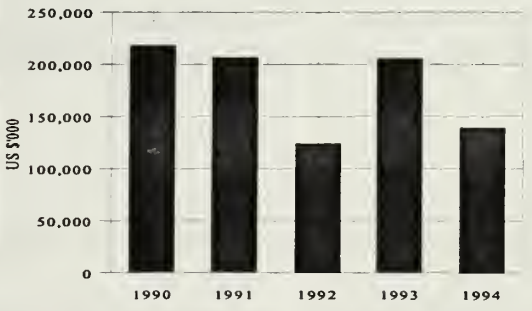


* Import and export totals may not match the sum of the commodities due to grouping and rounding procedures.

QATAR'S TOTAL AGRICULTURAL IMPORTS

WTDB : IN US $'000	1990	1991	1992	1993	1994
Grains & Oilseeds	23,812	21,910	13,453	21,793	12,999
Livestock & Animal Products	43,451	38,190	20,427	28,245	18,946
Special Crops	17,349	16,485	17,178	16,063	19,524
Fruits, Nuts, & Vegetables	34,032	38,190	13,106	33,779	19,936
Dairy Products	13,524	13,176	7,491	14,353	7,303
Eggs & Poultry	16,534	18,599	14,291	21,141	19,559
Processed Food and Products	60,513	53,215	34,735	59,688	37,726
Beverages	8,888	6,512	3,815	10,201	3,756
TOTAL IMPORTS	**218,013**	**206,606**	**124,496**	**205,263**	**139,749**

Qatar's Agricultural Imports From the World 1990 - 1995



QATAR

BACKGROUND INFORMATION

Political Economy:

Qatar is a small country with a population of approximately 500,000 people, over half of whom are expatriates. The majority of the population live in the port city of Doha, which has an adequate infrastructure.

The Qatari economy is state-dominated to a degree surpassing all other countries in the region. The state owns or directly controls Qatar's mineral wealth, major manufacturing enterprises, banking, and insurance. As such, the Government of Qatar is the largest (and, in some cases, the only) importer and end-user of a wide range of products and services in the country. It is also the largest employer in the Qatari marketplace. Other economic and commercial activities are, therefore, heavily dependent upon government spending.

Agriculture in Qatar:

The agriculture sector is modest and contributes about 2% to GDP annually. Currently, the country is self-sufficient for 70% of its summer vegetables and 40% of winter vegetables. Although there is some production of grains, eggs and poultry, the country is still dependent on food imports. Most of the workers in the agricultural sector are foreign. The government has made an effort to strengthen the agricultural sector offering several incentives to investors. Qatar has 28,000 hectares of arable land.

Agricultural Trade in Qatar:

Doha is a small market for value-added foodstuffs and is not a major re-export centre. Some products are shipped directly to Doha, but most are transhipped from Dubai in the UAE. Products can also be trucked into Doha from the UAE. The demand situation in Qatar may alter somewhat in the next few years, because the economy is expected to take an upturn as a new gas project comes into production. Thus, for the time being, Canadian exporters may not want to make Qatar a primary export market in the region, rather it would best serve to compliment activities of a company already active in the Dubai market or elsewhere in the Gulf.

Qatar's imports of agriculture and agri-food products have been somewhat erratic over the past several years, hovering around US$209 million between 1990 and 1993, with a decrease to US$124 million in 1992, and another decrease in 1994 to US$139 million.

Canadian exports of agriculture and agri-food products to Qatar are fairly small, but have been increasing from $190,000 in 1990 to $660,000 in 1995, which is a slight decline from 1994 exports of $724,000. This increase has come largely on the strength of processed food and product exports to Qatar.

EXISTING OPPORTUNITIES:

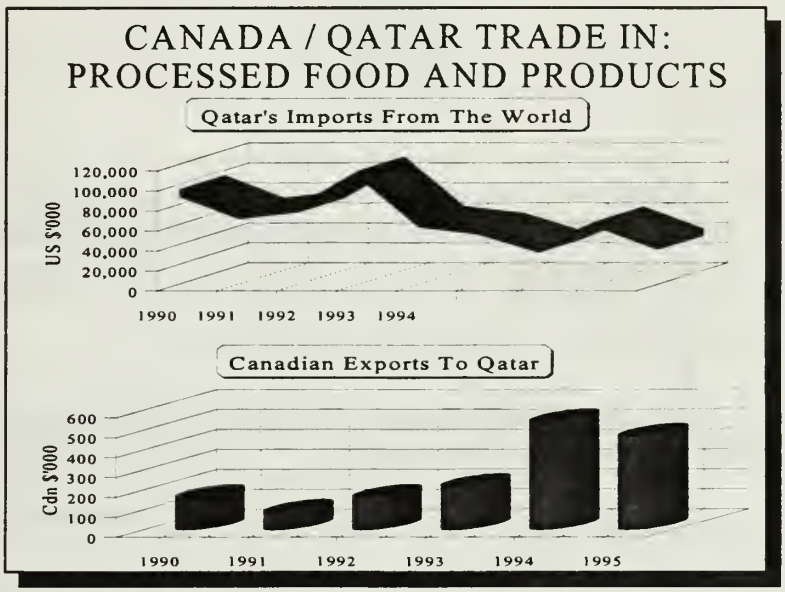
PROCESSED FOOD AND PRODUCTS

Market Characteristics:

There is interest in processed food products in Qatar as evidenced by a project to construct pasta, (dry) baby food, and biscuit plants.

Qatar's imports of processed food and products has been highly erratic, fluctuating back and forth, between US$60 million in 1990 to the most recent US$37 million in 1994.

- Prepared vegetable imports fell from US$3.6 million in 1990 to just over US$2 million in 1994.
- Imports of miscellaneous edible preparations fell slightly from US$9.8 million in 1990, to US$8.9 million in 1994.



Export Opportunities:

Exports of processed food and products have become Canada's principal exports to Qatar, reaching over $467,000 in 1995, representing 71% of total agri-food exports in that year.

- Canada's exports of processed food and products to Qatar are dominated by french fried potatoes, which totalled $307,000 in 1995, up from $94,000 in 1990.
- The other major export item in this category is ice cream, which accounted for $91,000 in 1995.

Constraints & Competitors:

The most significant constraint faced by Canadian exporters to this market is the ultra-price-competitiveness of the retail sector in Qatar. Considering the increased costs faced by Canadian exporters as a result of transportation factors, this makes market penetration particularly difficult.

The principal competitors in this market are the European Union, the US, and South-East Asian countries, such as Thailand and Singapore.

NEW AND EMERGING OPPORTUNITIES:

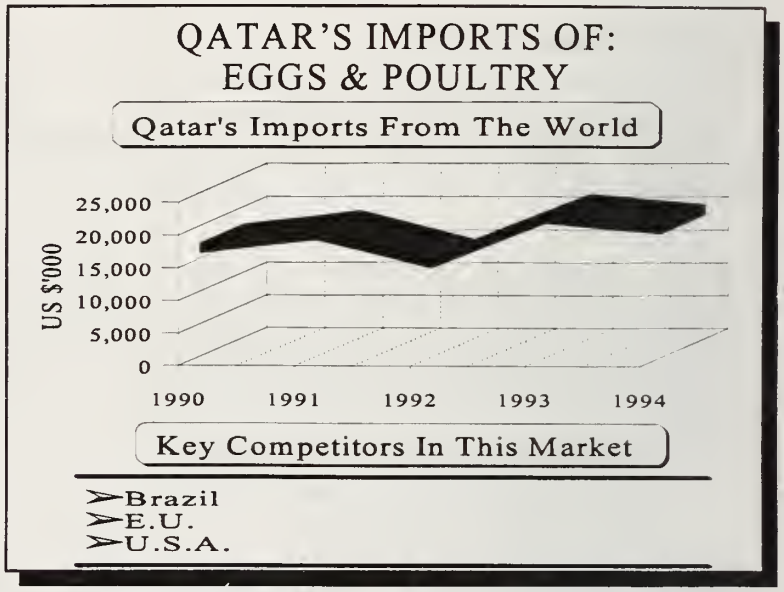
EGGS & POULTRY

Market Dynamics:

Qatar's imports of eggs and poultry have been increasing over the past several years, from US$16.5 million in 1990 to over US$19.5 million in 1994.

- Imports of poultry meat accounts for 97% of Qatar's eggs and poultry imports, with 1994 sales of almost US$19 million.
- Qatar's imports of eggs in shell dropped from almost US$3 million in 1990 and 1993 to US$300,000 in 1994.

The Qatari National Poultry Farm has announced its plans to double its broiler capacity from 3.5 million to 7 million birds per year.



Constraints & Competitors:
The principal competitors for poultry meat are Brazil (US$11.7 million in 1994), the EU (Denmark - US$3.4 million and France - US$28 million), and the US (US$966,000).

GRAINS AND OILSEEDS

Market Dynamics:
In 1994, Qatar imported US$13 million in grains and oilseeds, down from US$23.8 million in 1990.

- Rice was the largest grain import at US$9.5 million in 1994.
- Qatar does not import any wheat or barley.
- Oilseed imports also fell over this period, specifically fixed vegetable oils which dropped US$5 million to rest at US$1.2 million in 1994.

A Qatari firm is considering establishing a vegetable oil bottling plant, and is particularly interested in potential bulk canola oil imports. This is indicative of an emerging interest and knowledge of canola in the region.

Constraints & Competitors:
Principal competitors include Pakistan, India, and Australia for grains products, and Singapore and the EU in the oilseeds market.

ANNEX A: MARKETING INFORMATION

Distribution Structure in the Gulf (Excluding Saudi):

In general, the region's food retail sector is vertically integrated. In addition to their retail operations, the major supermarket chains also are importers, wholesalers and food distributors. Many of the largest companies also have catering, ship chandler and export divisions and are affiliated with local food processing firms. Several retailers are the sole agents for major brand names which they sell in their own stores and, also, distribute to competitor supermarkets. Finally, a few supermarket companies also operate internationally well-known fast food franchises.

Company Breakdown by Activity

Company	Imp	Dis	Who	Fra	Cat	Sch	Bak	Man
Al-Faisal Centre	Yes		Yes					
The Centre			Yes					

Key - Imp = Importer; Dis = Distributor; Who = Wholesaler; Fra = Franchisee; Cat = Caterer; Sch = Ship chandler; Bak = Bakery operator; Man = Manufacturer. Source: USDA/FAS: Attache Report "Food Retail Sector in Gulf Region"

Retail Structure in the Gulf (Excluding Saudi):

The region's food retail sector is highly competitive. There are approximately 24 major food retail companies in the region, all of which are expanding their operations. In addition, there are thousands of smaller, mom and pop outlets vying for a part of the Gulf region's relatively small customer base. According to trade contacts, heightened competition has forced profit margins down and many small store owners out of business.

An increasing number of retailers are charging for prime end-aisle space in their supermarkets. The current fee for an endcap is reportedly about $270/month. Shelf space charges are not yet as prevalent, but many stores require local suppliers to stock and maintain their own shelf space. It is also common practice for retailers to request promotional assistance or price reductions, directly or in the form of free products.

Most of the major supermarket chains in the Gulf region are family owned. The exceptions are the consumer cooperative societies, which are member-owned and may receive substantial government assistance in the form of building and operating subsidies, and three corporately owned companies, Continent, Prisunic and Spinneys. Because the Gulf region has a relatively small population base, local supermarket chains are smaller than North America-based chains in terms of number of outlets, sales volume and annual turnover. On average, local companies own 3-4 outlets, with the range running from 1-9.

Cooperatives:

In Qatar, consumer cooperatives account for 40 - 50% of food sales.

Pricing:

The average importer's mark-up on food products is about 10-15%. Retail food prices are generally 20-30% above import/wholesale prices.

ANNEX B: TRADE REGULATIONS

Import Licensing:

All goods imported to Qatar for sale must be imported by a holder of an import license, which is issued only to Qatari citizens by the Ministry of Finance, Economy, and Commerce.

Imports from Iraq and Israel are prohibited, as are imports of pork and pork products. Alcoholic beverages are strictly regulated.

Credit and Payment Conditions:

- ***Usual Terms:*** Terms vary according to sector, but 30-days credit is most common. Sight drafts are the recommended method of payment, although letters of credit are also used. Import licenses are granted only to officially registered firms. Sub-agencies are not permitted. Barter trade is fairly well-established.

- ***Transfer Situation:*** Although foreign exchange delays usually average three months, payment experiences vary; delay of six to ten months have been reported on government capital projects. This is expected to ease as global oil prices continue to recover. Foreign investment rules have been greatly relaxed: foreigners can now take a 49% share in local joint ventures, including investments in agriculture, industry, and commerce.

Customs Tariff:

Imports of general goods are subject to a customs tariff at the rate of 4%. The tariff on alcoholic beverages is 100%, and on tobacco is 104%.

Labelling Requirements:

Current laws and regulations of the Ministry of Municipal Affairs and Agriculture and the Ministry of Public Health require labelling and marking requirements to be honoured, especially where import of foodstuffs is concerned. Arabic labels should clearly show name and address of producers, dates of production and expiry, contents and components. Shelf life validity of all foodstuffs should not be less than six months, as of date of entry of the products into Qatar. All foodstuffs are examined at the State-owned and State-regulated Central Laboratories before they reach consumers.

Halal Export Requirements for Qatar:

Eligible/Ineligible Products:

Eligible Products:

Fresh/frozen Meat and Meat Products: Red meat and meat products are eligible.

Fresh/frozen Poultry and Poultry Products: Poultry and poultry products are eligible.

Slaughter Requirements:

Ritual Islamic Halal Slaughter requirements apply.

Labelling Requirements:

Fresh/frozen meat and poultry: In addition to the labelling features mandatory in North America, precut and packaged meat and poultry must bear the following features (in print):

- Production (slaughter or freezing) and expiration dates. Spell out or abbreviate name of month. (Example: Jan. or January 1996). Calendar strips preprinted on label allowing the designation of calendar dates with the literal translation are in frequent use. Production and expiration dates are required on consumer size packages. An acceptable alternative is a printed production date followed by the statement "Product good for (time period) from date of production" Qatar has no fixed expiration time periods for meat and poultry product.
- Bilingual labels. All labels must be in both Arabic and English.
- A statement that the product has been slaughtered according to Islamic principles is NOT required.
- Metric Net Weight. Presently, Qatar has a tolerance of 10 percent variation in the labelled net weight.

Handling/Storage Requirements:

Special Handling: Qatar requires that instructions for consumers concerning storage, preparation and other special handling requirements accompany shipments.

Packaging: Vacuum packaging is not required.

Other Requirements:

Product Arrival: A minimum of 6 months prior to the date of expiration is the recommended time period for frozen product to arrive in Qatar.

Qatar Laboratory Sampling: Random samples are routinely collected of meat and poultry entering Qatar. Product is examined for:

- Pesticides.
- Salmonellae and other pathogenic bacteria.
- Total bacteria counts.
- Heavy metals.
- Species identification tests for pork tissue, including lard, in formulated product.

ANNEX C: LOGISTICS

Infrastructure in Qatar:

Qatar has developed a good highway system which connects all the main points of the peninsula. The country's road connection with the rest of the world has to go through Saudi Arabia via the Salwa border town on the Saudi Arabian side of the South Eastern shoreline of the Salwa Gulf. Also, In addition to the recently established Qatar Airways, Gulf Air is the country's national carrier. Doha International Airport is served by 20 international passenger airlines, including Gulf Air. The only one of its kind in Qatar, the airport is capable of handling large amounts of air freight.

Entry and Warehousing:

In Qatar, only authorized local agents are allowed officially to import specific goods produced by the foreign firms they represent in the local market. When importing goods from any customs station, the owner, his agent, or the consignee of the goods must present a declaration showing the quality, description, and value of the goods. The value of the goods subject to duty will be assessed by customs officials, who are not bound to accept the valuation as given on any of the documents presented by the importer.

Generally speaking, no transit taxes are charged on goods in-transit through Qatar; however, Qatar has reserved the right to either confiscate such goods or charge double customs duties if they are later sold in Qatar. Goods re-exported from Qatar may be charged a fee.

Key Ports of Entry:

Qatar is currently serviced by two ports capable of handling cargo, *Doha and Umm Said.*

General cargo usually enters through the eleven berths at the Doha port. After completion of the current dredging operations to widen and deepen the port's main channel, the Government plans to establish a new container service facility at the Doha port. Similar dredging operations are simultaneously ongoing to establish a smaller port facility for Qatar Flour Mill Company to handle wheat imports to the country. Bulk shipments are handled at the nine-berth Umm Said port, 30 miles south of Doha. General cargo is usually unloaded at Umm Said and brought by barge to Doha by the Qatar National Navigation and Transportation Company.

The port at Doha has both container and bulk handling facilities, however, shipping products to Doha is more expensive than shipping to Dubai, thereby reducing its attractiveness to exporters.

Shipping Restrictions:

There are no known government restrictions.

Free Trade Zones:

There are currently no free trade zones or free ports in Qatar.

Importer/Agency Agreements:

In Qatar, a local agent or representative must be a Qatari national or a company with at least 51% Qatari ownership. The main provisions of Qatar's agency laws state that the commercial agent is the only one who has permission to distribute goods and products or to sell them, or to provide certain services withing the limits of the agency on behalf of his principal for profit or commission. The principal cannot be supported by more than one agent for the same commercial business. Likewise, the agent is not allowed to practice the commercial agency on behalf of a principal who has another agent in the area running the same business.

These regulations highlight the necessity of having a local agent/representative as a sales channel for promoting products and services in the local market. Notably, agency agreements are binding and are not easily broken, so Canadian exporters should take care in the selection of an agent in Qatar.

The agency contract should be set in writing and it must be translated into Arabic. The following information should be included:

- Names and nationalities of both the agent and the principal;
- Goods, products, and services that are covered in the agency contract;
- Rights and liabilities of both agent and principal (including remuneration for the agent);
- The commencement date of the agency, if it is for a limited period;
- The agent's business area; and
- The trademark of goods or products.

BIBLIOGRAPHICAL INDEX - QATAR

BACKGROUND INFORMATION:

Department of Foreign Affairs & International Trade

- "Doing Business in the Middle East" (September, 1996)

Agriculture and Agri-Food Canada

- "Agri-Food Overview of the Gulf States" (1996)

United States Department of Agriculture - Foreign Agricultural Service (USDA/FAS)

- Attache Reports
- Food Market Report

These information products provide a comprehensive review of the country's agricultural production characteristics, trade policies, and market issues. They are a valuable tool for any exporter in assessing the opportunities for agricultural exports to a given country or region. These reports (and others) can be accessed electronically via the internet at: ***http://ffas.usda.gov/ffas/markres.html.***

United States National Trade Databank

- International Trade Administration - "Country Commercial Guide"

The "Country Commercial Guides" offer the reader a broad analysis of the political/economic make-up of a country as well as a review of the economic trends and outlook for a number of industrial sectors.

EXPORT OPPORTUNITIES:

United States Department of Agriculture - Foreign Agricultural Service (USDA/FAS):

- Attache Reports

Statistics Canada

- Canadian Export Statistics (1988 - 1995)

World Trade Database

- Qatar's Import Statistics from the World (1990 - 1994)

ANNEXES:

Arab World Online (AWO)

One of the most used sites for this study, Arab World Online is an information source with direct access to virtually every aspect of the Arab world. AWO is a joint-venture between the National U.S.-Arab Chamber of Commerce (NUSACC) and Multitasking Online. This site provides general overviews on all the countries in the Study, as well as detailed marketing, trade, and logistics information. Notably, the **Halal Requirements** section of Annex B is taken directly from this site. It can be accessed via the Internet at: ***http://www.awo.net.***

Arab Net

Arab Net is a web site that compiles a great deal of the relevant country and regional information available on the internet into one, easy to use, site. It can be accessed at: ***http://www.arab.net.***

Dun & Bradstreet Exporter's Encyclopaedia (1995)

This is the single most often cited information product used in the Annexes. It provides a detailed guide to trade and logistical information for all of the countries in the study, as well as a variety of other useful information for exporters interested in the region.

Migra's Canadian Exporter's Guide.

One of the few private sector Canadian sources available, this guide offers some very detailed documentation requirements for the countries in the region.

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